

AMENDED IN SENATE MAY 24, 2010
AMENDED IN SENATE MARCH 23, 2010

SENATE BILL

No. 1259

Introduced by Senator DeSaulnier
(Coauthor: Senator Strickland)

February 19, 2010

An act to add Chapter 2 (commencing with Section 15910) to Part 12 of Division 3 of the Government Code, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

SB 1259, as amended, DeSaulnier. State government: Economic Development and Job Creation Agency.

Existing law requires various state entities to perform various duties relating to economic development and job creation.

This bill would create the Economic Development and Job Creation Agency in state government, and would require that the Secretary of Economic Development and Job Creation serve as the executive officer of the agency. The bill would provide for the appointment of the secretary, as specified, and ~~would specify~~ that the secretary serves at the pleasure of the Governor. This bill would require the secretary to develop a reorganization plan and to propose a structure for the agency, and would also require the agency to perform specified duties relating to economic development and job creation.

This bill would require the Governor to appoint the secretary only upon determining that surplus funds are available for general state government purposes.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares all of the
2 following:

3 (1) California is facing unprecedented economic hardship.
4 Hundreds of thousands of jobs have disappeared, millions of homes
5 are at risk of foreclosure, and state services have suffered
6 devastating cuts.

7 (2) California currently has one of the highest unemployment
8 rates in the country at 12.3 percent.

9 (3) In November of 2009, over ~~2~~ *two* million Californians were
10 looking for work. Close to ~~a~~ *one* million more Californians were
11 looking for work in 2009 compared to November of 2008.

12 (4) The number of persons not in the labor force but who desire
13 a job has increased by 34.7 percent since November of 2008.
14 Part-time workers who want full-time employment increased by
15 66 percent.

16 (5) Thirty-four percent of unemployed Californians have been
17 looking for work for over six months (27 weeks). The number of
18 people unemployed 27 weeks or more has increased by 170.4
19 percent since November of 2008.

20 (6) California lost 952,800 jobs over the last two years (from
21 July 2007 to July 2009) and the state is projected to lose over a
22 million jobs by 2013. The construction industry has been
23 particularly hard hit, with employment down by 29 percent since
24 2007. The manufacturing industry has seen the loss of 600,000
25 jobs since 2001, \$75 billion a year in lost wages, and \$5 billion
26 annually in lost tax revenue.

27 (7) Studies have found that California lacks a comprehensive
28 long-term strategy to facilitate its future competitiveness in the
29 global marketplace.

30 (8) The best way to grow our economy and our state's revenue
31 base is to spur economic development and create jobs.

32 (9) California lacks a commonsense, efficient, single point of
33 entry for employers to access state services and benefits relating
34 to economic development and job creation.

35 (10) Currently, there are nearly 100 agencies, departments,
36 commissions, and task forces scattered throughout state government
37 with duties relating to job creation.

1 (11) This type of dispersal of resources leads to inefficiencies,
2 confusion, and ~~lack of~~ *lacking* accountability for the business
3 enterprises that seek state services and assistance in opening,
4 expanding, or maintaining their businesses.

5 (b) It is the intent of the Legislature that the Economic
6 Development and Job Creation Agency provide a single portal for
7 economic development and job creation in California.

8 SEC. 2. Chapter 2 (commencing with Section 15910) is added
9 to Part 12 of Division 3 of the Government Code, to read:

10
11 CHAPTER 2. ECONOMIC DEVELOPMENT AND JOB CREATION
12 AGENCY
13

14 15910. (a) There is hereby created in state government the
15 Economic Development and Job Creation Agency.

16 (b) The Secretary of Economic Development and Job Creation
17 shall serve as the executive officer of the agency, shall be appointed
18 by the Governor, subject to confirmation by the Senate, and shall
19 hold office at the pleasure of the Governor.

20 (c) The secretary shall develop a reorganization plan and propose
21 a structure for the agency that enables it to perform all of the duties
22 listed in subdivision (d). This plan shall be based on stakeholder
23 input, including, but not limited to, labor and management
24 participants.

25 (d) The agency shall do all of the following:

26 (1) Develop a statewide strategy that identifies the state's goals
27 and objectives for job creation and specify performance measures
28 to assess the state's progress towards attaining those goals and
29 objectives.

30 (2) Ensure that there is a cabinet-level official within the
31 Governor's administration responsible for presenting and
32 addressing economic development and job creation issues.

33 (3) Create a clearinghouse of accurate data on the state's
34 economic development activities and their effectiveness.

35 (4) Simplify, strengthen, and improve the operation and
36 management of economic development programs that provide
37 services to California's workers and employers.

38 (5) Eliminate duplicative duties, achieve cost efficiencies, and
39 promote accountability for the attainment of economic development
40 goals and objectives.

(6) Allow the state to marshal all of its resources to systematically target new industries to site within the state.

(7) Build on our state’s educational, workforce, and geographic assets to seed innovation.

(8) Attract new and sustainable industries that will create high-wage, middle-class jobs.

(9) Provide a better understanding of federal and state laws that protect workers.

SEC. 3. The Governor shall make the appointment pursuant to subdivision (b) of Section 15910 of the Government Code only upon determining that surplus funds are available for general state government purposes.

CORRECTIONS:

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